

**UTAH LOCAL GOVERNMENTS TRUST**

Financial Statements  
and  
Independent Auditors' Report

December 31, 2005 and 2004

# UTAH LOCAL GOVERNMENTS TRUST

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LARSON & COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS  
**INDEPENDENT AUDITORS' REPORT**

The Board of Directors  
**Utah Local Governments Trust:**

We have audited the accompanying basic financial statements of **Utah Local Governments Trust** as of December 31, 2005 and 2004, and for the years then ended, listed in the foregoing table of contents. These basic financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on these basic financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audits provide a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of **Utah Local Governments Trust** as of December 31, 2005 and 2004, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1 to the basic financial statements, the Trust adopted Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statement and Management's Discussion and Analysis—for State and Local Governments: Omnibus*, and GASB Statement No 38, *Certain Financial Statement Note Disclosures*, in fiscal year 2002, effective January 1, 2001. Effective January 1, 2004, the Trust adopted GASB Statement No. 40, *Deposit and Investment Risk Disclosures*.

The Management's Discussion and Analysis is not a required part of the basic financial statements of the Trust, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying financial information as listed under the heading of Required Supplementary Information in the accompany table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Trust, but is supplementary information required by the Governmental Accounting Standards Board.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 20, 2006, on our consideration of the Trust's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, and contracts. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

*Larson & Company*

Sandy, Utah  
January 20, 2006

# **UTAH LOCAL GOVERNMENTS TRUST**

Management's Discussion and Analysis  
December 31, 2005

## **COMPANY BACKGROUND**

Utah Local Governments Trust (Trust) is a Public Agency Insurance Mutual, writing business exclusively within the State of Utah to public entities including cities, towns, counties, special service districts and school districts. The Trust began initial operation in 1974 as a group purchase program solely for employee benefits. The Trust began a liability program in 1985 when liability insurance was either unavailable or the rates for commercial coverage had increased excessively. The Trust, therefore, began operation to fill the void left by the commercial carriers. The coverage's offered by the Trust are accidental dental, vision, general liability (including police professional and public officials' errors and omissions), auto liability and, effective January 1, 2004, began insuring workers' compensation. The Trust also provides group accident and health for its members through an administrative agreement with Public Employees Health Program (PEHP) where PEHP assumes the risk of the insurance and the Trust assists with the processing of claims, enrollment, customer service, billings, group servicing and marketing.

The management of the Trust does not expect to expand its operations into other states and no new coverages are anticipated at this time. As new opportunities present themselves, and as financial conditions permit, the Trust will review and consider those opportunities.

The following discussion of the current financial position and condition of the Trust by management is intended to supplement the financial exhibits.

## **Basic Financial Statements**

The basic financial statements are designed to provide readers with a broad overview of the Trust's finances, in a manner similar to private-sector business.

The statements of net assets present information on all of the Trust's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Trust is improving or deteriorating. Net assets increase when revenues exceed expenses. Increases to assets without a corresponding increase to liabilities results in increased net assets, which indicates an improved financial position.

## **UTAH LOCAL GOVERNMENTS TRUST**

### **Management's Discussion and Analysis**

**December 31, 2005**

The statements of revenues and expenses and changes in net assets present information showing how the Trust's net assets changed during the fiscal year. All changes in net assets are reported as soon as the underlying event occurs, regardless of timing of related cash flows. The revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods.

#### **Notes to the Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

The following discussion of the current financial position and condition of the Trust by management is intended to supplement the basic financial statements and notes to basic financial statements.

#### **FINANCIAL POSITION**

##### **Assets**

Total assets at the end of 2005 were \$44,974,473, an increase of \$3,491,559 over 2004.

The Trust maintains a conservative investment policy. As a public entity, the Trust must adhere to the Utah Money Management Act; therefore, all investments are exclusively in bonds issued by the U.S. Government or U.S. Government secured agencies and the Utah Public Treasurer's Investment Fund, all of which have the lowest risk on any securities offered. Maturities of less than one year may be invested in corporate bonds, none of which can be held by a broker. All securities must be issued to the Trust and held in a safe keeping account. Securities may not be held in brokerage accounts for any public agency governed by the Utah Money Management Act. The Trust does not invest in common stocks or mortgages.

Short-term investments are on deposit with the Utah Public Treasurer's Investment Fund and are available on a daily basis to meet claims and expenses.

The investment in the Trust's reinsurance captive NLC-Mutual, a captive of government pools of various states, is carried on the financial statements in the amount of approximately \$2.3 million. The invested amount represents the Trust's equity in NLC-Mutual. On December 6, 2005, A.M. Best downgraded the financial strength rating to C++ (Marginal) with a negative outlook.

Premium income has historically covered the Trust's needs for cash to pay claims and expenses. Management expects the positive cash flow to continue.

## **UTAH LOCAL GOVERNMENTS TRUST**

### **Management's Discussion and Analysis**

**December 31, 2005**

#### **Liabilities**

Total liabilities at the end of 2005 were \$22,408,027, an increase of \$1,925,707 over 2004.

Aggregate reserves for losses and loss adjustment expenses are \$14,802,885, an increase over last year due to the risk of workers compensation being assumed in 2004 and more claims. Administrative expenses overall increased to provide for resources needed to process claims and loss control for workers' compensation business. As the claims associated with the increased business begin to materialize, some additional increase in administrative expense is anticipated.

Salaried employees rather than commissioned agents are used to sell products; therefore, there are no commissions due and payable. All employees are licensed to sell the appropriate products. All expenses payable are normal expenses incurred in the operation of the Trust.

#### **Net Assets**

Net assets at December 31, 2005 have increased to \$22,566,446 as compared to \$21,000,594 at the end of 2004.

The maximum risk taken by the Trust is \$500,000 per claim on liability and \$250,000 per claim on workers compensation. All life insurance is placed with a licensed carrier as well as medical and dental, property, bonds, auto physical damage, long-term care and accidental death.

# UTAH LOCAL GOVERNMENTS TRUST

## Management's Discussion and Analysis

December 31, 2005

### Condensed Statement of Net Assets

<b>Assets:</b>	<b>2005</b>	<b>2004</b>	<b>Net Change</b>
Current and other assets	<u>\$ 42,024,938</u>	<u>\$ 38,444,893</u>	<u>\$ 3,580,045</u>
Capital assets	<u>2,949,535</u>	<u>3,038,021</u>	<u>(88,486)</u>
<b>Total assets</b>	<u><b>\$ 44,974,473</b></u>	<u><b>\$ 41,482,914</b></u>	<u><b>\$ 3,491,559</b></u>
<b>Liabilities:</b>			
Current and other liabilities	<u>\$ 18,145,163</u>	<u>\$ 16,135,138</u>	<u>\$ 2,010,025</u>
Long-term liabilities	<u>4,262,864</u>	<u>4,347,182</u>	<u>(84,318)</u>
<b>Total liabilities</b>	<u><b>22,408,027</b></u>	<u><b>20,482,320</b></u>	<u><b>1,925,707</b></u>
<b>Net assets:</b>			
Invested in capital assets, net of related debt	<u>2,948,150</u>	<u>3,033,874</u>	<u>(85,724)</u>
Unrestricted	<u>19,618,296</u>	<u>17,966,720</u>	<u>1,651,576</u>
<b>Total net assets</b>	<u><b>22,566,446</b></u>	<u><b>21,000,594</b></u>	<u><b>1,565,852</b></u>
<b>Total liabilities and net assets</b>	<u><b>\$ 44,974,473</b></u>	<u><b>\$ 41,482,914</b></u>	<u><b>\$ 3,491,559</b></u>

### RESULTS OF OPERATIONS

#### Revenues

Revenues increased by approximately 16% in 2005. Total revenue of over \$14.2 million was up this year, due to areas of revenue having a modest increase.

### Condensed Statement of Revenues

<b>Revenues:</b>	<b>2005</b>	<b>2004</b>	<b>Net Change</b>
Premiums and other considerations	<u>\$ 9,169,402</u>	<u>\$ 7,297,938</u>	<u>\$ 1,871,464</u>
Investment income	<u>1,517,181</u>	<u>1,753,174</u>	<u>(235,993)</u>
Administrative fees	<u>3,551,066</u>	<u>3,240,298</u>	<u>310,768</u>
<b>Total revenues</b>	<u><b>\$ 14,237,649</b></u>	<u><b>\$ 12,291,410</b></u>	<u><b>\$ 1,946,239</b></u>

## UTAH LOCAL GOVERNMENTS TRUST

### Management's Discussion and Analysis

December 31, 2005

#### Benefits and Expenses

Total benefits and expenses are up approximately 5% for the year 2005. Total benefits and expenses of over \$12.6 million were up this year, due to modest increases losses and loss adjustment expense and other operating expenses.

#### Condensed Statement of Expenses

Expenses:	2005	2004	Net Change
Losses and loss adjustment expenses	\$ 7,633,007	\$ 6,784,824	\$ 848,183
Membership benefits	1,729,444	1,640,230	89,214
Other operating expenses	3,309,346	3,643,230	(333,884)
<b>Total expenses</b>	<b>\$ 12,671,797</b>	<b>\$ 12,068,284</b>	<b>\$ 603,513</b>

#### Investments

The Trust actively manages its investment portfolio. The management of investments and the Trust financials is handled in-house by the Associate Executive Director. The Trust auditors and an elected Board of Directors review the Trust activities. The total investment income for the year ended 2005 was \$1,517,181.

#### Change in Net Assets

Change in net assets for 2005 was \$1,565,852, a increase over change in net assets for 2004 of \$1,342,726.

#### Condensed Statement of Changes in Net Assets

Revenues and expenses:	2005	2004	Net Change
Revenues	\$ 14,237,649	\$ 12,291,410	\$ 1,946,239
Expenses	12,671,797	12,068,284	603,513
<b>Net income</b>	<b>1,565,852</b>	<b>223,126</b>	<b>1,342,726</b>
Net assets, beginning of year	21,000,594	20,777,468	-
<b>Net assets, end of year</b>	<b>\$ 22,566,446</b>	<b>\$ 21,000,594</b>	<b>\$ 1,342,726</b>



## UTAH LOCAL GOVERNMENTS TRUST

### Management's Discussion and Analysis

December 31, 2005

Claims are expected to continue to grow in line with the risk associated with the liability and workers compensation business. Increased risk management efforts can offset increase in claims, but the occasional adverse year can and will occur.

### ACTUAL RESULTS VERSUS BUDGET AMOUNTS

No changes were made to the 2005 budget after its adoption in December 2004. Revenues were above budgeted amounts and expenses in total were below budgeted amounts. The following table summarized the differences between the budget amounts and actual results.

	<u>Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance</u>
<b>Income:</b>			
Premiums and other considerations	\$ 8,319,380	\$ 9,169,402	\$ 850,022
Investment income	1,668,094	1,517,181	(150,913)
Administrative fees	3,385,821	3,551,066	165,245
<b>Total income</b>	<u>13,373,295</u>	<u>14,237,649</u>	<u>864,354</u>
<b>Benefits and expenses:</b>			
Losses and loss adjustment expenses	7,611,828	7,633,007	(21,179)
Membership benefits	1,681,366	1,729,444	(48,078)
Other operating expenses	3,858,156	3,309,343	548,813
<b>Total benefits and expenses</b>	<u>13,151,350</u>	<u>12,671,794</u>	<u>479,556</u>
<b>Change in net assets</b>	221,945	1,565,855	1,343,910
Net assets, beginning of year	<u>21,000,594</u>	<u>21,000,594</u>	<u>-</u>
<b>Net assets, end of year</b>	<u>\$ 21,222,539</u>	<u>\$ 22,566,449</u>	<u>\$ 1,343,910</u>

### CASH FLOW AND LIQUIDITY

#### Liquidity

All of the Trust's assets are invested in U.S. Government securities and, as a political subdivision of the State of Utah, in the Utah Public Treasurer's Fund. All investments are reviewed semi-annually by the State Auditor's Office. All assets are readily available to meet our foreseeable business needs.

Currently the market value of our agency portfolio is \$36,651,234 as reported in the accompanying basic financial statements.

## **UTAH LOCAL GOVERNMENTS TRUST**

Management's Discussion and Analysis  
December 31, 2005

### **Cash Flow**

The Trust's primary sources of funds are premium income, investment income and administrative fee income. The primary uses of funds are claims, membership benefits and other operating expenses.

There are no known demands for cash that will likely cause material changes in the cash flow pattern.

### **Capital Expenditures**

The Trust purchased land in North Salt Lake and completed its new office building in 1998. The City of North Salt Lake authorized the issuance of Industrial Revenue Bonds to finance 50% of the building. A prudent decision was made by management to pay off the loan on the building early due to the investment yields available in the market. The only remaining loan is the small Utah Energy Office Loan which will be repaid in full during 2006.

### **Expected Trends**

While premium growth is expected to increase modestly, the claim pattern continues to be volatile. Every effort is being made to control and reduce claim experience. The Trust expects continued growth in profits and surplus. The long-term outlook remains favorable.

### **Requests for Information**

This financial report is designed to provide a general overview of the Trust's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Chief Financial Officer, Utah Local Governments Trust, 55 South Highway 89, North Salt Lake, UT 84054.

# **LIABILITIES AND NET ASSETS**

	<b><u>2005</u></b>	<b><u>2004</u></b>
<b>Liabilities:</b>		
<b>Current liabilities:</b>		
Reserves for loss and loss adjustment expenses	\$ 14,802,885	\$ 12,743,661
Unearned premiums	3,155,049	2,933,308
Accounts payable	185,304	453,852
Accrued expenses payable	540	1,555
Current portion of notes payable	1,385	2,762
<b>Total current liabilities</b>	<b><u>18,145,163</u></b>	<b><u>16,135,138</u></b>
<b>Long-term liabilities:</b>		
Compensated absences	105,263	110,828
Other liabilities	4,157,601	4,234,969
Long-term portion of notes payable	-	1,385
<b>Total long-term liabilities</b>	<b><u>4,262,864</u></b>	<b><u>4,347,182</u></b>
<b>Total liabilities</b>	<b><u>22,408,027</u></b>	<b><u>20,482,320</u></b>
<b>Net assets:</b>		
Contributed capital	112,745	112,745
Invested in capital assets, net of related debt	2,948,150	3,033,874
Unrestricted	19,505,551	17,853,975
<b>Total net assets</b>	<b><u>22,566,446</u></b>	<b><u>21,000,594</u></b>
<b>Total liabilities and net assets</b>	<b><u>\$ 44,974,473</u></b>	<b><u>\$ 41,482,914</u></b>

**UTAH LOCAL GOVERNMENTS TRUST**  
**Statements of Revenues, Expenses and Changes in Net Assets**  
**For the Years Ended December 31, 2005 and 2004**

	<u>2005</u>	<u>2004</u>
<b>Income:</b>		
Premiums and other considerations	\$ 9,169,402	\$ 7,297,938
Investment income	1,517,181	1,753,174
Administrative fees	<u>3,551,066</u>	<u>3,240,298</u>
<b>Total income</b>	<u>14,237,649</u>	<u>12,291,410</u>
<b>Benefits and expenses:</b>		
Losses and loss adjustment expenses	7,633,007	6,784,824
Membership benefits	1,729,444	1,640,230
Other operating expenses	<u>3,309,346</u>	<u>3,643,230</u>
<b>Total benefits and expenses</b>	<u>12,671,797</u>	<u>12,068,284</u>
<b>Change in net assets</b>	1,565,852	223,126
Net assets, beginning of year	<u>21,000,594</u>	<u>20,777,468</u>
<b>Net assets, end of year</b>	<u><u>\$ 22,566,446</u></u>	<u><u>\$ 21,000,594</u></u>

The accompanying notes to financial statements  
are an integral part of these statements.

**UTAH LOCAL GOVERNMENTS TRUST**  
**Statements of Cash Flows**  
For the Years Ended December 31, 2005 and 2004

	<u>2005</u>	<u>2004</u>
<b>Cash flows from operating activities:</b>		
Premiums received, net of reinsurance	\$ 9,114,526	\$ 7,479,217
Administrative fees collected	3,537,898	3,288,238
Losses and loss adjustment expenses paid	(5,573,783)	(4,406,479)
Operating expenses and benefits paid	<u>(5,217,848)</u>	<u>(4,890,965)</u>
<b>Net cash provided by operating activities</b>	<u>1,860,793</u>	<u>1,470,011</u>
<b>Cash flows from capital and related financing activities:</b>		
Acquisition of capital assets	(88,547)	(71,190)
Sale of capital assets	2,725	-
Interest on notes payable	-	(34,823)
Principal paid on notes payable	<u>(2,762)</u>	<u>(713,900)</u>
<b>Net cash used by capital and related financing activities</b>	<u>(88,584)</u>	<u>(819,913)</u>
<b>Cash flows from investing activities:</b>		
Purchase of bonds	(13,303,167)	(9,998,750)
Proceeds from sale of bonds	7,500,000	11,500,000
Interest on investments	<u>1,366,921</u>	<u>1,754,316</u>
<b>Net cash provided (used) by investing activities</b>	<u>(4,436,246)</u>	<u>3,255,566</u>
<b>Net increase (decrease) in cash</b>	<u>(2,664,037)</u>	<u>3,905,664</u>
Cash and cash equivalents at beginning of year	<u>5,924,222</u>	<u>2,018,558</u>
<b>Cash and cash equivalents at end of year</b>	<u><u>\$ 3,260,185</u></u>	<u><u>\$ 5,924,222</u></u>

The accompanying notes to financial statements are an integral part of these statements.

	<u>2005</u>	<u>2004</u>
<b>Reconciliation of net income to net cash used in operating activities:</b>		
<b>Change in net assets</b>	<b>\$ 1,565,852</b>	<b>\$ 223,126</b>
<b>Adjustments to reconcile net income to net cash provided by operating activities:</b>		
Depreciation	158,486	169,080
Amortization of investments	(54,308)	(17,733)
Interest received on investments	(1,366,921)	(1,754,316)
Interest paid on bonds	-	34,823
Gain (loss) on disposal of assets	15,822	-
<b>Change in assets and liabilities:</b>		
Increase in premiums receivable	(29,378)	(26,300)
(Increase) decrease in administrative fees receivable	(13,168)	47,940
(Increase) decrease in accrued interest receivable	(95,951)	18,876
(Increase) decrease in receivables from affiliates	(11,188)	43,410
Increase in other receivables	(236,051)	(170,945)
Increase in prepaid expenses	(870)	(384)
Increase in reserves for loss and loss adjustment expenses	2,059,224	2,378,345
Increase in unearned premiums	221,741	335,114
Increase (decrease) in accounts payable	(268,548)	316,000
Decrease in accrued expenses	(1,015)	(66,100)
Increase (decrease) in compensated absences	(5,565)	8,031
Decrease in other liabilities	(77,369)	(68,956)
<b>Net cash provided by operating activities</b>	<b><u>\$ 1,860,793</u></b>	<b><u>\$ 1,470,011</u></b>

# UTAH LOCAL GOVERNMENT TRUST

## Notes to Basic Financial Statements

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Organization

Utah Local Governments Trust (the Trust) was organized under the Interlocal Cooperation Act in Chapter 13 of Title XI of the Utah Code. Under Section 31A-5-215 of the Utah Insurance Code, effective July 1, 1986, the Trust was classified as a Public Agency Insurance Mutual. The Trust provides accidental dental, vision, general liability (including police professional and public officials' errors and omissions) and auto liability insurance for units of local governments in the State of Utah. The Trust also provides group accident and health and workers' compensation for its members through administrative agreements with Public Employees Health Program (PEHP) and Workers Compensation Fund of Utah (WCF), respectively, where PEHP and WCF assume the risk of the insurance and the Trust assists with the processing of claims, enrollment, customer service, billings, group servicing, and marketing. Effective January 1, 2004, the Trust began insuring workers' compensation.

#### Accounting Principles

These financial statements are presented in accordance with accounting principles generally accepted in the United States of America (GAAP) and standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The Trust adopted Governmental Accounting Standards Board Statement No 34, *Basic Financial Statements - and Management Discussion and Analysis - for State and Local Governments* (GASB Statement 34), GASB Statement No. 37, *Basic Financial statement and Management's Discussion and Analysis - For State and Local Governments: Omnibus*, and GASB Statement No. 38, *Certain Financial Statement Disclosures*, in fiscal year 2002, effective January 1, 2001. Effective January 1, 2004, the Trust adopted GASB Statement No 40, *Deposit and Investment Risk Disclosures*. With the implementation of these statements, the Trust has prepared required supplementary information titled 'Managements' Discussion and Analysis,' which precedes the basic financial statements, has prepared a balance sheet classified between current and noncurrent assets and liabilities, has categorized net assets as invested in capital assets and unrestricted, has prepared the statements of cash flows on the direct method, and provided additional schedules to better communicate the financial status of the governmental entity.

# UTAH LOCAL GOVERNMENT TRUST

## Notes to Basic Financial Statements

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Accounting Principles (Continued)

The accounting policies of the Trust conform to accounting principles generally accepted in the United States of America in all material respects. In accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Fund and Other Governmental Entities That Use Proprietary Fund Accounting*, the Trust has opted to apply all pronouncements issued by the Financial Accounting Standards Board ("FASB") after November 1989, unless the FASB pronouncements conflict with or contradict GASB pronouncements. The following is a summary of the more significant of such policies.

#### Basis of Accounting

The Trust reports as a single enterprise fund and uses the accrual method of accounting and the economic resources measurement focus. Under this method, revenues are recognized when they are earned and expenses are recognized when they are incurred.

#### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement, and the reported amounts of revenues and expenses during the reporting period. The estimates which are particularly susceptible to change related to the actuarial valuation of the claims incurred but not reported and loss reserves. Actual results could differ from those estimates.

The Trust invests in various investment securities which, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the balance sheets.

#### Cash and Cash Equivalents

For purposes of the statement of cash flows, the Trust considers all highly liquid debt instruments with maturities of three months or less to be cash equivalents. Therefore, the investment in Utah Public Treasurers' Fund, overnight repurchase agreements, and cash on deposit are considered to be cash equivalents.



# UTAH LOCAL GOVERNMENT TRUST

## Notes to Basic Financial Statements

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Investments

Investments are comprised of U.S. Government securities and investment in NLC Mutual.

Investments in U.S. Government securities for December 31, 2005 and 2004 consist of held-to-maturity securities. Held-to-maturity securities are reported at cost, adjusted for amortization of premiums and accretion of discounts that are recognized in interest income using the interest method over the period to maturity.

The investment in NLC Mutual is valued using the equity method of accounting. Under the equity method, the Trust recognizes its share in the net earnings or losses of the company as they occur rather than as dividends are received.

#### Capital Assets

Capital assets are defined by the Trust as assets with an initial individual cost of more than \$2,000. Capital assets are stated at cost less accumulated depreciation. Depreciation on furniture, equipment, and electronic data processing equipment is provided over the estimated useful lives of the assets on the straight-line method. Useful lives vary from 3 to 10 years. Depreciation on the building is provided over the estimated useful life of 39½ years on the straight-line method. Depreciation expense for the years ended December 31, 2005 and 2004 amounted to **\$158,486** and \$169,080 respectively.

Maintenance and repairs which do not materially extend the useful lives of the related assets and minor replacements are expensed as incurred.

#### Compensation Absences

Accumulated unpaid vacation and sick pay amounts are accrued when benefits vest to employees and the unpaid liability is reflected as compensated absences payable.

# **UTAH LOCAL GOVERNMENT TRUST**

## **Notes to Basic Financial Statements**

### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **Reserves for Losses and Loss Adjustment Expenses**

The reserves for losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount based on past experience for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates, and while management believes that amounts are adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are regularly reviewed by an independent certified actuary and any adjustments are reflected in the period determined.

#### **Premiums**

Premiums are earned over the terms of the related insurance policies and reinsurance contracts. Unearned premium reserves are established to cover the unexpired portion of premium written. Such reserves are computed by pro rata methods for direct business and are based on reports received from ceding companies for reinsurance.

#### **Income Taxes**

The Trust is exempt from the payment of income taxes under Section 115 of the Internal Revenue Code.

### **2. CASH AND CASH EQUIVALENTS AND INVESTMENTS**

Listed below is a summary of the cash and investment portfolios as of December 31, 2005 and 2004. Investing is governed by the prudent man rule in accordance with statutes of the State of Utah. All investments of the Trust are considered to have been made in accordance with these governing statutes.

#### **Cash and cash equivalents**

Cash and cash equivalents of the Trust are carried at cost. The carrying amount of the cash on deposit, net of outstanding checks, is **\$51,128** and **\$246,521** on December 2005 and 2004, respectively.

## UTAH LOCAL GOVERNMENT TRUST

### Notes to Basic Financial Statements

#### 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

As of December 31, 2005 and 2004, the Trust's cash and cash equivalents and investments included the following:

	<u>2005</u>	<u>2004</u>
Cash on deposit	\$ 51,128	\$ 246,521
Overnight repurchase agreements	466,924	502,014
Utah Public Treasurer's Investment Fund - held by the Trust	<u>2,742,133</u>	<u>5,175,687</u>
<b>Total cash and cash equivalents</b>	<b>3,260,185</b>	<b>5,924,222</b>
 Deposit - U.S. government securities held jointly with the State of Utah	 2,000,000	 2,000,000
 Investments - U.S. government securities	 32,694,433	 26,889,338
 Equity investments	 <u>2,367,382</u>	 <u>2,315,001</u>
 <b>Total cash and cash equivalents and investments</b>	 <u><u>\$ 40,322,000</u></u>	 <u><u>\$ 37,128,561</u></u>

#### Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of December 31, 2005 and 2004, the overnight repurchase agreements of **\$466,924** and \$502,014, respectively are uninsured and are collateralized with securities held by the pledging financial institution's trust department or agent but not in the Trust's name.

# UTAH LOCAL GOVERNMENT TRUST

## Notes to Basic Financial Statements

### 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

#### Investments

The Trust records its investments in U.S. Treasuries and U.S Agencies at amortized cost. The differences between book value and fair value as of December 31, 2005 and 2004 are as follows:

	2005				
	Cost/ Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Statement Value
Held-to-maturity securities	\$ 34,694,433	\$ 287,794	\$ 698,375	\$ 34,283,852	\$ 34,694,433
Equity investments	526,295	3,170,870	1,329,783	2,367,382	2,367,382
Total investments	<u>\$ 35,220,728</u>	<u>\$ 3,458,664</u>	<u>\$ 2,028,158</u>	<u>\$ 36,651,234</u>	<u>\$ 37,061,815</u>

  

	2004				
	Cost/ Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Statement Value
Held-to-maturity securities	\$ 28,889,338	\$ 342,352	\$ 426,719	\$ 28,804,971	\$ 28,889,338
Equity investments	270,500	2,044,501	-	2,315,001	2,315,001
Total investments	<u>\$ 29,159,838</u>	<u>\$ 2,386,853</u>	<u>\$ 426,719</u>	<u>\$ 31,119,972</u>	<u>\$ 31,204,339</u>

The schedule below provides information about the credit risk, interest rate risk, credit rate risk, and concentration of credit risk associated with the Trust's investments as of December 31, 2005 and 2004.

Investment type:	2005					
	Investment Maturities (in Years) (in thousands)					Fair Value
	Less Than 1	1-5	6-10	10-20	More Than 20	
as of December 31, 2005:						
U.S. Treasuries	\$ 302,004	\$ -	\$ -	\$ 865,128	\$ -	\$ 1,167,132
U.S. Agencies	995,940	7,263,398	-	24,857,382	-	33,116,720
Equity investment in NLC Mutual	-	-	-	-	-	2,367,382
Total investments	<u>\$ 1,297,944</u>	<u>\$ 7,263,398</u>	<u>\$ -</u>	<u>\$ 25,722,510</u>	<u>\$ 2,367,382</u>	<u>\$ 36,651,234</u>

# UTAH LOCAL GOVERNMENT TRUST

## Notes to Basic Financial Statements

### 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

	2004					
	Investment Maturities (in Years) (in thousands)					
	Fair Value	Less Than 1	1-5	6-10	10-20	More Than 20
Investment type:						
as of December 31, 2004:						
U.S. Treasuries	\$ 1,183,935	\$ -	\$ 321,645	\$ -	\$ 862,290	\$ -
U.S. Agencies	27,621,036	-	-	-	17,325,326	10,295,710
Equity investment in NLC Mutual	2,315,001	-	-	-	-	2,315,001
<b>Total investments</b>	<b>\$ 31,119,972</b>	<b>\$ -</b>	<b>\$ 321,645</b>	<b>\$ -</b>	<b>\$ 18,187,616</b>	<b>\$ 12,610,711</b>

#### Interest Rate Risk

In accordance with the Trust investment policy, the Trust manages its exposure to declines in fair value by laddering the maturities of its securities.

#### Credit Rate Risk

It is the Trust's policy to limit its investments to the top ratings issued by nationally recognized statistical rating organizations (NRSROs) so the total investment portfolio maintains an "A" (S&P) or equivalent minimum rating. The Trust's investments in bonds were rated "AAA" by Standard & Poor's and Fitch Ratings, and "Aaa" by Moody's Investors Service.

#### Concentration of Credit Risk

The Trust limits the amount that can be invested in any one security to \$1,000,000 unless approved by the executive committee. The Trust's investment policy is that no more than 5% of its investment portfolio may be invested in securities of any single issuer, with the exception of the U.S. government and Federal Agency obligations, where no limit is imposed; no more than 50% of its investment portfolio may be invested in securities of any one agency issuer; and no more than 50% of its investment portfolio may be invested in short-term bank obligations, commercial paper, corporate debt securities, or tax-exempt securities.

# UTAH LOCAL GOVERNMENT TRUST

## Notes to Basic Financial Statements

### 3. CAPITAL ASSETS

The capital assets and related accumulated depreciation of the Trust are:

2005				
	Beginning Balance	Capital Acquisitions	Dispositions	Ending Balance
<b>Capital assets:</b>				
Land	\$ 701,867	\$ -	\$ -	\$ 701,867
Building	2,746,872	-	(18,547)	2,728,325
Furniture and equipment	414,409	11,044	-	425,453
Computers	463,672	20,922	(46,537)	438,057
Vehicles	99,930	56,581	(29,538)	126,973
<b>Total</b>	<b>\$ 4,426,750</b>	<b>\$ 88,547</b>	<b>\$ (94,622)</b>	<b>\$ 4,420,675</b>

2005				
	Beginning Balance	Depreciation Expense	Dispositions	Ending Balance
<b>Accumulated depreciation:</b>				
Land	\$ -	\$ -	\$ -	\$ -
Building	460,416	70,546	-	530,962
Furniture and equipment	391,203	27,352	-	418,555
Computers	444,566	31,684	(46,537)	429,713
Vehicles	92,544	28,904	(29,538)	91,910
<b>Total</b>	<b>\$ 1,388,729</b>	<b>\$ 158,486</b>	<b>\$ (76,075)</b>	<b>\$ 1,471,140</b>

2004				
	Beginning Balance	Capital Acquisitions	Dispositions	Ending Balance
<b>Capital assets:</b>				
Land	\$ 701,867	\$ -	\$ -	\$ 701,867
Building	2,746,872	-	-	2,746,872
Furniture and equipment	407,514	6,895	-	414,409
Computers	422,479	41,193	-	463,672
Vehicles	76,828	23,102	-	99,930
<b>Total</b>	<b>\$ 4,355,560</b>	<b>\$ 71,190</b>	<b>\$ -</b>	<b>\$ 4,426,750</b>

## UTAH LOCAL GOVERNMENT TRUST

### Notes to Basic Financial Statements

#### 3. CAPITAL ASSETS (Continued)

	2004			
	Beginning Balance	Depreciation Expense	Dispositions	Ending Balance
<b>Accumulated depreciation:</b>				
Land	\$ -	\$ -	\$ -	\$ -
Building	389,354	71,062	-	460,416
Furniture and equipment	346,961	44,242	-	391,203
Computers	406,652	37,914	-	444,566
Vehicles	76,683	15,861	-	92,544
<b>Total</b>	<b>\$ 1,219,650</b>	<b>\$ 169,079</b>	<b>\$ -</b>	<b>\$ 1,388,729</b>

#### 4. RELATED PARTY TRANSACTIONS

ULGIT Marketing, Inc. (Marketing) is a wholly-owned subsidiary of the Trust. Marketing serves as an employee leasing company for the Trust and as an agent for insurance lines not written by the Trust. For the years ended December 31, 2005 and 2004, total salaries and related payroll tax expenses paid to Marketing amounted to **\$2,048,054** and **\$2,019,490**, respectively. As of December 31, 2005 the Trust had a receivable from Marketing for premiums of **\$11,188**. There was no receivable or payable as of December 31, 2004.

#### 5. REINSURANCE

The Trust has entered into reinsurance treaties for excess of loss per occurrence coverage as follows:

Workers compensation insurance was covered under reinsurance agreements for amounts over \$50,000 for claims incurred from January 1, 1989 through December 31, 1999. Subsequently the risk was transferred to Workers Compensation Fund of Utah (WCF).

**NLC Mutual Insurance Company (NLC):** Coverage up to \$4,500,000 with a retention of \$500,000 for general liability insurance. Workers compensation insurance coverage up to statutory limits with a retention of \$250,000.

NLC provides reinsurance to the Trust through a reinsurance pool that includes participants with many other municipal agencies in various states. The participating agencies share in the underwriting and investment results of the pool on an agreed-upon basis.

## **UTAH LOCAL GOVERNMENT TRUST**

### **Notes to Basic Financial Statements**

#### **5. REINSURANCE (Continued)**

Estimated claims loss liabilities are stated net of estimated losses applicable to reinsurance ceded to other insurance companies. However, the Trust is contingently liable for those amounts in the event such companies are unable to pay their portion of the claims.

#### **Reinsurance Recoverable in Dispute**

The Company does not have any disputed balances or uncollectible funds.

#### **6. CONTINGENCIES**

The Trust is not aware of any assessments or lawsuits that could have a material effect on the Trust's operations or financial statements. The Trust is subject to various lawsuits related to losses in the normal course of business which are taken into consideration in the computation of the estimated incurred losses and loss adjustment expenses.

#### **7. AGREEMENT WITH PEHP**

Effective January 1, 2001 for groups with a January 1, 2001 renewal date and effective July 1, 2001 for groups with a July 1, 2001 renewal date, PEHP again assumed the risk for medical insurance. The Trust provides enrollment, customer service, claims processing, billing and remittances, group servicing and marketing. PEHP and the Trust agreed to an administrative fee 6% of premium which is adjusted by the percentage change in warm body counts in the medical and dental risks pools and the percentage change in the Urban Consumer Price Index each year. Due to changes in the warm body counts and Urban Consumer Price Indexes, the average effective rate for 2005 is 4.7% of premium. For these services the Trust received **\$2,662,873** and **\$2,456,425** for the years ended December 31, 2005 and 2004, respectively.

#### **8. RETIREMENT PLAN**

The employees of the Trust are covered under a 401(k) defined contribution plan. All employees of the Trust with service of over one year are eligible to participate in the plan. The Trust contributes 7% of the employee's salary. The Trust will match employee contributions up to an additional 4% of the employee's salary. Amounts contributed to the Plan for the years ended December 31, 2005 and 2004 were **\$145,763** and **\$147,411**, respectively.



**UTAH LOCAL GOVERNMENT TRUST**  
Notes to Basic Financial Statements

**9. NOTES PAYABLE**

Notes payable consisted of the following as of December 31, 2005 and 2004:

	<u>2005</u>	<u>2004</u>
Utah energy office loan calling for semi-annual payments of \$1,385, maturing March 2006, secured by building	\$ 1,385	\$ 4,147
<b>Total notes payable</b>	<b>1,385</b>	<b>4,147</b>
Less current portion	<u>1,385</u>	<u>2,762</u>
<b>Notes payable - long-term</b>	<u><u>\$ -</u></u>	<u><u>\$ 1,385</u></u>

Interest expense for the years ended December 31, 2005 and 2004 was \$0 and \$34,823, respectively.

**10. UNPAID CLAIMS, LOSSES AND LOSS ADJUSTMENT EXPENSES**

Reserves for incurred losses and loss adjustment expenses attributable to insured events of prior years has decreased by approximately \$1,480,442 and \$1,225,000 in 2005 and 2004, respectively, as a result of re-estimation of unpaid losses and loss adjustment expenses. This change is generally the result of ongoing analysis of recent loss development trends. Original estimates change as additional information becomes known regarding individual claims

	<u>2005</u>	<u>2004</u>
<b>Balance at January 1 (in thousands)</b>	<b>\$ 12,743</b>	<b>\$ 10,365</b>
<b>Incurred, related to:</b>		
Current year	8,343	8,220
Prior year	(1,057)	(1,225)
<b>Total incurred</b>	<u><b>7,286</b></u>	<u><b>6,995</b></u>
<b>Paid, related to:</b>		
Current year	1,880	2,249
Prior year	3,347	2,368
<b>Total paid</b>	<u><b>5,227</b></u>	<u><b>4,617</b></u>
<b>Balance at December 31</b>	<u><u><b>\$ 14,802</b></u></u>	<u><u><b>\$ 12,743</b></u></u>

**UTAH LOCAL GOVERNMENTS TRUST**  
**Statements of Revenues, Expenses and Changes in Net Assets**  
**By Line of Business**  
**For the Year Ended December 31, 2005**

	<u>Liability</u>	<u>Workers Compensation</u>	<u>Other</u>	<u>Total</u>
<b>Income:</b>				
Premiums and other considerations	\$ 4,161,086	\$ 4,652,030	\$ 356,286	\$ 9,169,402
Investment income	1,356,729	121,326	39,126	1,517,181
Administrative fees	-	-	3,551,066	3,551,066
<b>Total income</b>	<u>5,517,815</u>	<u>4,773,356</u>	<u>3,946,478</u>	<u>14,237,649</u>
<b>Benefits and expenses:</b>				
Losses and loss adjustment expenses	3,763,735	3,728,558	140,714	7,633,007
Membership benefits	-	-	1,729,444	1,729,444
Other operating expenses	<u>872,774</u>	<u>785,207</u>	<u>1,651,365</u>	<u>3,309,346</u>
<b>Total benefits and expenses</b>	<u>4,636,509</u>	<u>4,513,765</u>	<u>3,521,523</u>	<u>12,671,797</u>
<b>Change in net assets</b>	<u>881,306</u>	<u>259,591</u>	<u>424,955</u>	<u>1,565,852</u>
Net assets, beginning of year	<u>18,779,640</u>	<u>1,679,376</u>	<u>541,578</u>	<u>21,000,594</u>
<b>Net assets, end of year</b>	<u>\$ 19,660,946</u>	<u>\$ 1,938,967</u>	<u>\$ 966,533</u>	<u>\$ 22,566,446</u>

**REQUIRED SUPPLEMENTARY INFORMATION**

# UTAH LOCAL GOVERNMENTS TRUST

## Premiums and Loss Development Information

The following table compares the Trust's earned revenues net of reinsurance and investment income to related costs of losses and loss adjustment expenses, net of reinsurance, assumed by the Trust. The table is defined as follows: (1) show each year's net earned premiums, other operating revenues and interest income, (2) shows each year's other operating expenses including overhead and loss adjustment expenses not allocable to specific claims, (3) show incurred losses and allocated loss adjustment expenses (both paid and accrued) as originally reported at the end of the first year in which the event that triggered coverage under the contract occurred, (4) shows the cumulative amounts paid as of the end of successive years for each accident year, (5) shows how each coverage year's incurred losses increased or decreased as of the end of the successive years: this annual re-estimation results from new information received on known claims, reevaluation of existing information on known claims, and emergence of new claims, (6) compares the latest re-estimated incurred loss amounts to the amounts originally established. Trust information is only available in the format shown below for the years presented.

	1998	1999	2000	2001	2002	2003	2004	2005
(In thousands)								
(1) Earned premiums, other operating operating revenues and investment revenues, net of reinsurance	18,126	28,622	32,566	18,304	8,052	8,689	12,291	14,274
(2) Unallocated expenses	972	494	390	297	304	361	374	144
(3) Estimated incurred claims, both paid and accrued, end of accident year	12,700	25,955	28,541	13,575	4,311	3,951	7,968	8,187
(4) Paid (cumulative) as of:								
End of accident year	7,453	19,022	22,185	10,230	846	725	2,249	1,879
One year later	10,199	22,787	26,144	11,603	1,520	1,455	3,795	-
Two years later	11,039	23,502	27,300	12,364	2,305	2,051	-	-
Three years later	11,897	24,407	27,472	12,679	3,132	-	-	-
Four years later	12,439	24,647	27,601	13,304	-	-	-	-
Five years later	12,554	24,599	27,628	-	-	-	-	-
Six years later	12,689	24,611	-	-	-	-	-	-
Seven years later	12,780	-	-	-	-	-	-	-
(5) Reestimated incurred losses and expenses:								
End of accident year	12,700	25,955	28,541	13,575	4,311	3,951	8,009	8,187
One year later	12,688	25,550	28,208	13,345	4,202	3,214	7,231	-
Two years later	12,385	25,225	27,571	13,339	4,690	3,185	-	-
Three years later	12,805	24,646	27,057	13,688	5,270	-	-	-
Four years later	13,567	24,746	27,958	13,634	-	-	-	-
Five years later	12,958	24,924	27,715	-	-	-	-	-
Six years later	13,913	24,883	-	-	-	-	-	-
Seven years later	13,345	-	-	-	-	-	-	-
(6) Increase (decrease) in estimated incurred losses and expenses from end of accident year	645	(1,072)	(826)	59	959	(766)	(737)	-

**OTHER INDEPENDENT AUDITORS' REPORTS**



LARSON & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

**Independent Auditors' Report on Compliance and on  
Internal Control Over Financial Reporting Based Upon the Audit Performed in  
Accordance with Government Auditing Standards**

The Board of Directors  
**Utah Local Governments Trust**

We have audited the financial statements of **Utah Local Governments Trust** as of and for the year ended December 31, 2005, and have issued our report thereon dated January 20, 2006.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether **Utah Local Governments Trust's** financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered **Utah Local Governments Trust's** internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be

The Board of Directors  
**Utah Local Governments Trust**  
January 20, 2006  
Page 2

detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reported and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the board of directors and management of **Utah Local Governments Trust** and the State Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties.

*Janson & Company*

Sandy, Utah  
January 20, 2006



## LARSON & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

### Independent Auditors' Report on State Legal Compliance

The Board of Directors  
**Utah Local Governments Trust**

We have audited the financial statements of **Utah Local Governments Trust** as of and for the year ended December 31, 2005, and have issued our report thereon dated January 20, 2006. As part of our audit, we have audited **Utah Local Governments Trust's** compliance with the requirements governing types of services allowed or unallowed; eligibility; matching; level of effort, or earmarking; reporting; special tests and provisions applicable to each of its major State assistance programs as required by the State of Utah Legal Compliance Audit Guide for the year ended December 31, 2005. The Trust received no funding from major State assistance programs from the State of Utah.

Our audit also included testing on the Trust's compliance with those general compliance requirements identified in the State of Utah Legal Compliance Audit Guide, including:

- Cash management
- Purchasing requirements
- Special districts
- Other general issues

The management of **Utah Local Governments Trust** is responsible for the Trust's compliance with all compliance requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the Trust's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.



The Board of Directors  
**Utah Local Government Trust**  
January 20, 2006  
Page 2

The results of our audit procedures disclosed no instances of noncompliance with the requirements referred to above.

In our opinion, **Utah Local Governments Trust** complied, in all material respects, with the general compliance requirements identified above and the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; and special tests and provisions that are applicable to each of its major State assistance programs for the year ended December 31, 2005.

*Jensen & Company*

Sandy, Utah  
January 20, 2006